California Department of Food and Agriculture

Dairy Digester Research and Development Program (DDRDP)

CDFA DDRDP TEAM:

Carla Sanchez, Special Assistant to the Secretary Climate Change Projects

Casey Walsh Cady, Senior Environmental Scientist

Geetika Joshi, Environmental Scientist

PRESENTATION OUTLINE

- BACKGROUND and OBJECTIVES
- PROGRAM FRAMEWORK
- GRANT PROCESS
- TIMELINE

Comments due by ~~November 16~~ November 26, 2014.

Send to grants@cdfa.ca.gov

DDRDP BACKGROUND & OBJECTIVES (1)

- CDFA is developing a new program, the Dairy Digester Research and Development Program, authorized by the Budget Act of 2014 (Chapter 25, Statutes of 2014).
- The aim of this program is to reduce greenhouse gas (GHG) emissions by implementing dairy digesters on California dairy operations, guided by the Technical Advisory Committee (TAC) of the CA-Federal Dairy Digester Working Group.
- CDFA was appropriated $12 million from the Greenhouse Gas Reduction Fund to provide financial assistance for the implementation of dairy digesters.

DDRDP BACKGROUND & OBJECTIVES (2)

- **$11,100,000** in competitive grant funding for the implementation of dairy digesters (Phase I) that result in reduced GHG emissions and provide other environmental benefits.
- $500,000 via competitive grants for research projects (Phase II) that support the development and demonstration of technologies and approaches that can increase the widespread implementation of dairy digesters and improve their environmental and economic benefits.
- CDFA has until 6/30/16 to expend or encumber the funds and 2 fiscal years after the award date to spend the funds.

PROJECT ELIGIBILITY (1)

- Projects must be located in CA and result in permanent, annual, measurable GHG emissions reductions from livestock waste handling and maximize protection of water and air quality.
  - Design and construction of digester vessels (e.g. ponds and tanks) under the program shall be demonstrated to be protective of surface and groundwater quality.

- Projects funded under this solicitation must use commercially available technologies.

PROJECT ELIGIBILITY (2)

- Applications are for single site - multiple applications are allowed but each application is for one project site (dairy operation).
- Dairy operations that propose to switch from dry scrape to lagoons are not eligible for project funding.
- Methane must be used for energy production or transportation fuel (e.g. compressed natural gas) with no more than 20% flared on an annual basis.

GRANT SIZE/MATCHING FUNDS

- GRANT SIZE
  - A maximum of 50% of the total cost of project, up to $3 million.

- MATCHING FUNDS
  - Minimum of 50% matching funds required (no more than 25% in kind).

APPLICATION DESIGN

- Demonstrate control of the dairy site, details of dairy operation (herd size, current management practices, etc.)
- Quantity of manure digested and other materials used (if any).
- Guarantee an adequate amount of feedstock.
- Digestate plan.
- Projected timeline for the project to be operating at full capacity.
- Plan for renewable power or low-carbon fuels; if a power purchase agreement (PPA) is in place.
- Indicate additional funding sources and ability to commence work while waiting for grant payments in arrears.

SCORING CRITERIA

Criteria	Points
GHG Emission reduction	30
Shovel- Readiness (CEQA and Permits)	10
Financial Stability and Long-Term Sustainability	10
Workplan	10
Budget	10
Environmental Benefits	10
Matching Funds Above Minimum	5
Benefit to Disadvantaged Communities	5
Production of Co-Benefits	5
Economic Benefits	5
TOTAL	**100**

Note: Minimum 60 points with complete application are required to qualify for consideration for funding.

GHG EMISSIONS REDUCTION – 30 pts (2): METRICS

- Applicants will be required to report GHG emission reduction results as:
  - Total GHG emissions reduction,
  - GHG reduction per unit volume of milk produced by operation, and
  - GHG reduction per $ CDFA grant money invested.

Recommended reference for calculations: ARB Compliance Offset Protocol for Livestock Projects

- CDFA will utilize an independent party (e.g. state university system) expert for the review of GHG emission reduction data for each project.

GHG EMISSIONS REDUCTION – 30 pts (2): DATA REPORTING

Applicant must:

- Include baseline calculation and measurement.
- Explain the methods of all GHG calculations and citations for calculation methods.
- Specify the life of the project (minimum 10 years) and how GHG emission reductions will continue to occur over the life of the project and beyond.
- Grant awardees will report GHG emissions data to CDFA for 10 years after project is awarded.

SHOVEL READINESS (CEQA/PERMITS) – 10 pts

- CDFA will reward projects that are shovel-ready.
- Requirements:
  - CEQA - level of anticipated CEQA review required, current status of, and projected timeline for completion.
  - Permits - state which permits are required, which ones already held and which ones will be obtained.
    - Permit check list will be included.

FINANCIAL STABILITY AND LONG-TERM SUSTAINABILITY – 10 pts

- Provide documentation regarding your organization's financial strength :
  - Three most recent fiscal year balance sheets
  - Profit/loss statements and federal tax returns
  - Other documentation that proves your organization's financial stability.
- Demonstrate long-term operations and maintenance costs and plan.
- Describe ongoing funding sources, if any.
- Indicate additional funding sources and ability to commence work while waiting for grant payments in arrears.

WORKPLAN – 10 pts

- List of tasks/activities/timelines.
- Template will be provided (must be consistent with narrative).
- Demonstrates staff qualifications, technical expertise, and experience.
- Identifies measurable targets and timelines.
- Evaluation component to measure success of the project and to determine whether the goals/objectives were accomplished.

BUDGET – 10 pts

- Applicant/grantee shall not incur CDFA-supplied costs prior to CDFA's written approval.
- Costs itemized into categories and be consistent with the Work Plan.
- All budget backup documentation including quotes, estimates, and equipment details.

ENVIRONMENTAL BENEFITS – 10 pts

- Environmental Benefits include additional protection to air and water quality.
- Examples:
  - NOx reduction via clean flames used for flaring (if any) and clean engines for energy generation.
  - Diesel displacement and reduction in particulate matter by switching operation's truck fleet to RNG.
  - Plan to minimize salt concentration in digestate fluid to protect water quality, etc.
  - Others with credible explanation.

MATCHING FUNDS ABOVE MINIMUM – 5 pts

- Match funding is required in the amount of at least 50% of the requested project funds.
- Applicants that provide more than this amount will receive additional points during the scoring phase.

BENEFITS TO DISADVANTAGED COMMUNITIES – 5 pts

- For direct, meaningful and assured benefits to a DAC
- ***Step 1 – Located Within:***
  - Project provides incentives for a facility in a DAC and the project results in direct air or water quality benefits in the DAC; or
  - Project provides incentives for an anaerobic digester that is located in a DAC.

Reference for determination of DAC: CalEPA's CalEnviroScreen tool
http://oehha.ca.gov/ej/ces2.html

BENEFITS TO DISADVANTAGED COMMUNITIES (OR) – 5 pts

- ***Step 2 – Provides Benefits To:***
  - ***If the project does not meet the criteria for "located within," evaluate the project to see if it meets at least one of the following criteria:***
    - The majority of waste processed in digester is generated by agricultural operations in a DAC.; or
    - Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 25% of project work hours performed by residents of a DAC; or
    - Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 10% of project work hours performed by residents of a DAC participating in job training programs which lead to industry-recognized credentials or certifications.

CO-BENEFITS – 5 pts

Co-benefits that maximize economic benefits of the digesters and minimize waste will be rewarded.

- Examples of co-benefits include - ability to use digestate as a fertilizer or soil amendment.
- Other co-benefits with credible explanation.

GRANT PROCESS

- In the process of developing the application:
  - Application process will be primarily electronic.
  - Application Workshops (2-3 workshops and a webinar) will be announced.
  - Question and answer period will be announced.

TIMELINE

ITEM	ESTIMATED DATES
Public Stakeholder Meetings for Program Design Feedback	November 2014
Notice of Funding availability released and Grant Application Workshops	December 2014
Applications proposals due	January 2015
Proposal evaluation period	February 2015
Announce grant awardees	March 2015
Project Implementation to begin	April 2015

Program Contacts

Carla Sanchez, Special Assistant,
916-654-0321

Casey Walsh Cady, Senior Environmental Scientist,
916-900-5154

Geetika Joshi, Environmental Scientist,
916-900-5150

A copy of this presentation will be available online (Nov 6, 2014 – ~~Nov 16~~ Nov 26, 2014) at
http://www.cdfa.ca.gov/EnvironmentalStewardship/Dairy_DigesterS.html